

HOUSE BILL NO. 488
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE VEZEY

Introduced: 2/14/94

Referred: Health, Education & Social Services, State Affairs

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the scholarship loan program; and providing for an effective
2 date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 14.43.120(b) is amended to read:

5 (b) Except as provided under (v) of this section, scholarship

6 [SCHOLARSHIP] loans may only be used to attend a

7 (1) career education program located in the state that has been

8 (A) approved by the commission before July 1, 1986;

9 (B) operating for two years before the borrower attends; or

10 (C) operating for one year before the borrower attends and the
11 commission determines the program is operating on a fiscally sound
12 basis; or

13 (2) a college or university located in the state that

14 (A) has been approved by the commission before July 1, 1986,

1 or has been operating for at least two years before the borrower attends;
2 (B) is accredited by a national or regional accreditation
3 association recognized by the Council on Postsecondary Accreditation
4 or is approved by the commission; and
5 (C) if the loans are federally insured, is approved by the United
6 States Secretary of Education.

7 * Sec. 2. AS 14.43.120 is amended by adding a new subsection to read:

8 (v) Notwithstanding (b)(2) of this section, a scholarship loan may be used to
9 attend a graduate degree program located outside the state if the commission
10 determines that the graduate degree program is not offered in the state.

11 * Sec. 3. APPLICABILITY. (a) Except as provided in (b) of this section, the provisions
12 of AS 14.43.120(b), as amended by sec. 1 of this Act, apply to scholarship loan contracts
13 entered into on or after the effective date of this Act.

14 (b) The requirement of AS 14.43.120(b), as amended by sec. 1 of this Act, that the
15 career education, or college or university program be located in the state, does not apply to
16 a loan under AS 14.43.090 - 14.43.160 if the applicant for the loan is a participant in the
17 student loan program under AS 14.43.090 - 14.43.160 on the effective date of this Act and
18 (1) maintains uninterrupted participation in the loan program until the career education,
19 college, or university program is completed; or (2) interrupts participation in the loan program
20 for a period of 12 months or less, and then continues uninterrupted participation until the
21 career education or college or university program is completed. In this subsection,
22 "participant" means a person who has entered into a contract to use proceeds of a loan under
23 AS 14.43.090 -14.43.160 to enroll as a student in an out-of-state career education program,
24 or an out-of-state college or university degree program described under AS 14.43.120(b).

25 * Sec. 4. This Act takes effect July 1, 1994.